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The RICE SITUATION

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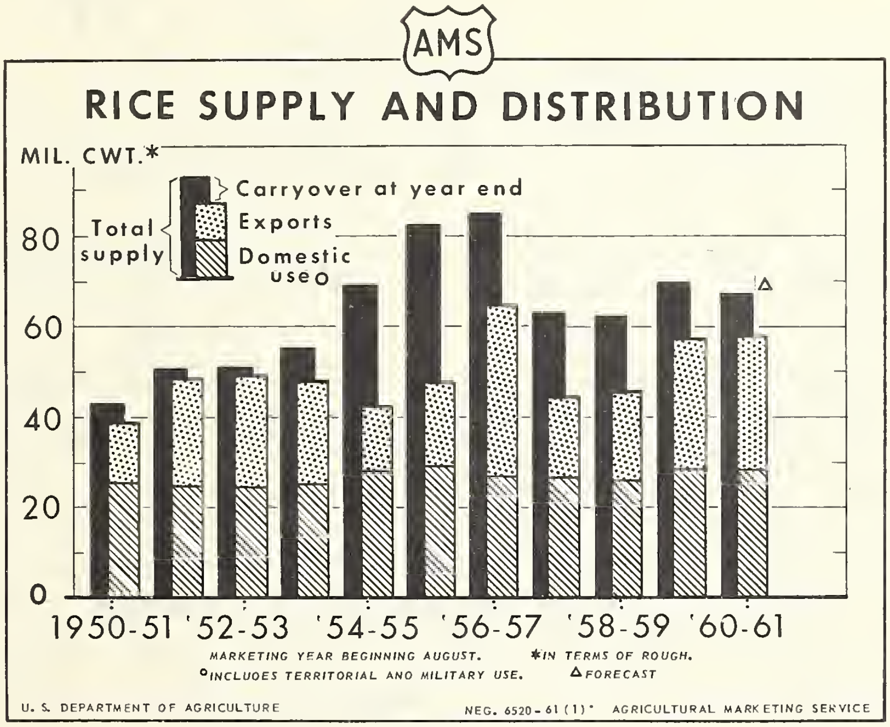

Mainly as a result of continued large exports under Government programs, a further reduction in the rice carryover August 1, 1961, is expected. Exports for 1960-61 are tentatively estimated at 29.7 million cwt., about the same as in 1959-60.

As of July 31, 1960, the carryover was only about a fourth of what it was four years earlier, reflecting record exports in 1956-57 and near-record in 1959-60, the impact of the acreage reserve program in 1957 and 1958, and lowered acreage allotments beginning in 1956.

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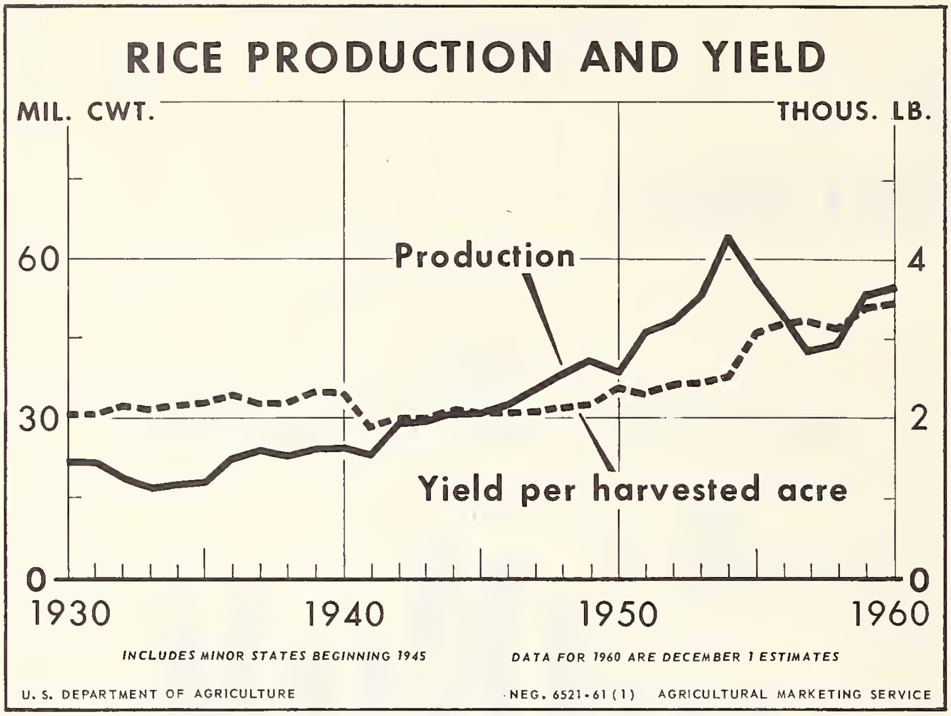
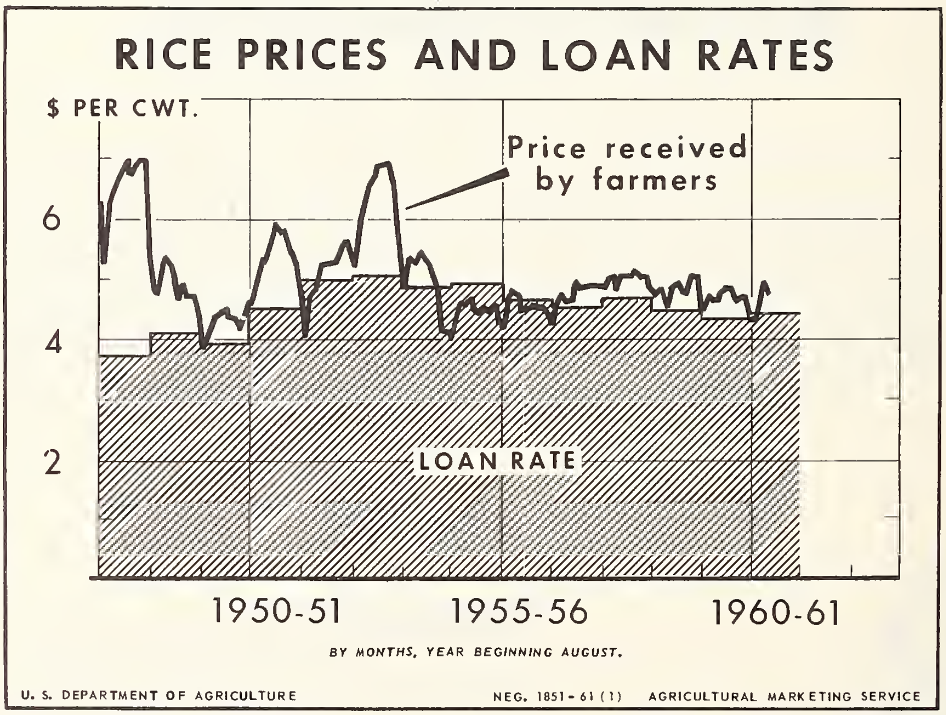


Rice yields have increased each year since 1945, except for 1951 and 1958. The increase was gradual from 1945 to 1954 but was sharp in 1955. In 1960, the yields are a record 34.11 cwt., 1 percent above a year earlier and half again as much as the 1945-54 average of 22.52 cwt.

Production increased each year from 1939 to 1954, except for 1941, 1945 and 1950. Following the record crop in 1954, acreage allotments and marketing quotas have been in effect. In 1960 the crop totaled 54.4 million cwt.



Rice prices received by farmers have averaged above support levels in all but two years, 1951-52 and 1954-55. In 1959-60 they averaged $4.59 per cwt., 21 cents above the national support of $4.38. The 1960-61 price is currently expected to average about the same as in 1959-60, or 17 cents above the announced support of $4.42 per cwt.

THE RICE SITUATION

Approved by the Outlook and Situation Board, January 16, 1961

CONTENTS

SUMMARY

A further reduction in the rice carryover is expected August 1, 1961, mainly as a result of continued large exports under Government programs. Tentative estimates for exports in 1960-61 are 29.7 million cwt., about the same as the high level of exports in 1959-60.

Rice supplies in 1960-61 total 67.0 million cwt. The carryover August 1, 1960, was 12.1 million cwt., down 23 percent from a year earlier. The 1960 rice crop is estimated at 54.4 million cwt., only slightly larger than the 1959 crop but 12 percent above the 1949-58 average. The yield per harvested acre of 34.11 cwt. in 1960 surpassed the 1959 record of 33.69 cwt. with acreage up slightly. Imports are estimated at 0.5 million cwt.

With exports and domestic use estimated to be about the same as a year earlier, stocks on August 1, 1961, left from supplies of 67.0 million cwt., will amount to about 9.1 million cwt., a fourth less than on August 1, 1960, and three-fourths less than the August 1, 1956 record of 34.6 million cwt. A still further reduction in the carryover is expected by August 1, 1962.

The great reduction in carryover since 1956 reflects the record exports in 1956-57, the impact of the Acreage Reserve Program in 1957 and 1958, and the reduced acreage allotments beginning in 1956.

In the referendum held on December 13, producers approved rice marketing quotas for the 1961 crop by a 91.2 percent vote according to the final report. This is more than the required two-thirds approval of those voting. If about the same acreage of rice is harvested in 1961 as in 1960, and if yields are about equal to the average of the past three years, a crop of about 52.7 million cwt. would be produced, compared with 54.4 million cwt. in 1960 and 51.4 million, the 1954-58 average. Assuming little change in domestic disappearance in the 1961-62 marketing year and exports of possibly 25 million cwt., there would be a further reduction in the carryover on August 1, 1962. Exports of 25 million cwt. would be below the 29.7 million cwt. estimated for 1960-61 and the 29.3 million in 1959-60.

The season average price received by farmers for rice in 1960-61 is currently estimated at $4.59 per cwt., 17 cents above the support rate of $4.42 per cwt. In 1959-60, the season average price, also at $4.59, was 21 cents above the support price.

The 1960-61 world rice crop, forecast at 487.6 billion pounds is above the preceding year's harvest of 480.6 billion and slightly larger than the previous record of 486.8 billion 2 years earlier. With acreage increased by 3 million acres, the crop outside Communist areas will probably exceed last year's record output. However, yields per acre will probably not attain the 1959-60 level, since weather was not as favorable as a year earlier. Rice production in Communist China probably was increased over the poor 1959 harvest, even though adverse weather again reduced yields per acre.

International trade in rice for the calendar year 1960 is expected to establish a new postwar record. The increase in demand reflects such factors as changes in price levels, some increases in per capita consumption, population increases, small increases in per capita income and in a few instances, the attempts to build up reserve stocks.

United States exports of rice totaled 20.6 million cwt., in terms of milled, for the marketing year beginning August 1, 1959--an increase of almost 50 percent over a year earlier and second to the record of 26.2 million cwt. exported in 1956-57.

Rice exports for dollars in 1959-60 were the highest since 1954-55, amounting to nearly 40 percent of total U. S. exports. There was also a gain in exports under Government programs. Exports for foreign currency nearly tripled those of 1958-59 and amounted to approximately 50 percent of total exports. The remainder was shipped under grants (Section 416 donations and disaster relief) and barter.

Stocks of old-crop rice in the hands of principal Asian exporters at the close of the 1960 calendar year were expected to be lower than for the previous year, despite larger supplies available for export during the year. For the world as a whole, total carry-in stocks for 1961 are lower but not to a point that indicates any over-all shortage. Generally speaking, the free-world countries have not seen any build-up of unmarketable stocks. Moreover, Communist controlled areas undoubtedly do not have the stocks of rice they had in the last few years.

World rice prices for 1960, as represented by f.o.b. prices for free-world exports, probably averaged about 6 percent below those of 1959. This followed an over-all reduction of about 8 percent in 1959 compared with 1958. Prices of long-grain varieties averaged 7 percent lower than in 1959, compared with a 9 percent reduction in 1959 from a year earlier. Medium-grain rice fared the best, with only a 1 to 2 percent decline in 1960 against 5 percent in 1959 below a year earlier, while short grain-rice was down 5 percent in each of the years.

Prospective supplies and prices of long-grain varieties are fairly indicative of the trend of world prices. On the basis of the level of prices for long grains in December, the size of stocks of old-crop rice on January 1 held by exporters, and the supplies in prospect for 1961, prices in the next 12 months are expected to be relatively stable and remain fairly close to those of 1960.

World demand for rice is expected to continue at about the same high level as in 1960. Whether or not it will exceed that of last year will depend on growing conditions in importing countries in late spring and early summer at the planting time for the new crop. Imports by India, Pakistan, Ceylon, Malaya and Indonesia will likely continue to be heavy. Pakistan's requirements may exceed those of last year because of unfavorable growing conditions in 1960. Altogether, it appears that world requirements will continue at the relatively high levels of the past 2 years.

It is likely that world supplies of rice available for export in 1961 outside Communist China will not be changed much from those of the previous year. There may be additional supplies available for export in free-world countries. Exports from these sources may be about the same or even larger than a year earlier. Supplies available from Communist China appear less, possibly much less, than a year ago because of unfavorable 1960 crop conditions.

The indicated level of export availability in 1961, including probable increases in production, does not appear so great that it cannot be absorbed by the increased level of demand shown throughout 1960.

THE RICE SITUATION AND OUTLOOK

BACKGROUND - Between 1945 and 1953, world supplies of rice were scarce and prices rose steadily. Shortages were caused by wartime and postwar disruptions which reduced output in important rice producing countries. Although U. S. rice production before World War II was less than 25 million cwt., during and after the war it increased rapidly and continued to build until 1954, when it rose to 64 million cwt. In 1957, it reached a recent-year low of 43.0 million cwt., (table 1). Though large in comparison with a decade earlier, U. S. rice production in 1960 at 54.4 million cwt. represented only about 1 percent of the world total (table 6).

The world rice shortage began to ease in 1953 as export supplies in most areas became more abundant. Unusually favorable growing conditions and expanded acreage planted to rice, both in importing and exporting countries, improved the supply situation. By the fall of 1953, prices of rice in world trade began to move downward from record levels.

Stocks in the United States started building up in 1953-54 following the record large 1953 crop, and at the beginning of the 1954-55 marketing year the carryover was 7.5 million cwt. The combination of these carryover stocks, another record large 1954 crop, and reduced exports caused the August 1, 1955 carryover to rise sharply to about 26.7 million cwt.

In view of this heavy accumulation of rice, acreage allotments and marketing quotas were proclaimed for the 1955 crop. These were approved in the referendum. Although this action resulted in a sharp reduction in acreage, a substantial increase in yield per acre boosted the 1955 crop to the second highest of record up to that date. An increase in domestic disappearance was not sufficient to offset the continuing accumulation, and carryover stocks on August 1, 1956 reached the record high level of 34.6 million cwt. Marketing quotas again were in effect for the 1956 crop.

Although the carryover on August 1, 1957 was cut to 20.1 million cwt. by the smaller crop and record exports, supplies continued large and quotas were again necessary for the 1957 crop. Even though exports in 1957-58 were less than half of those of a year earlier, stocks on August 1, 1958 were reduced by another 2 million cwt. to 18.2 million cwt., as a result of a further decline in production brought about by participation in the Acreage Reserve Program. Stocks at the end of the 1958-59 marketing year were further reduced by 8 percent to 15.7 million cwt. This resulted from an increase in exports more than offsetting an increase in production.

Domestic disappearance, including shipments to Territories from 20 million cwt. in 1946-47 to 29 million cwt. in 1955-56 (table 1). The quantity used by brewers and used for seed and feed increased more than use for food. The increase for food reflected an increase in per capita consumption from a below-average level, as well as an increase in population. Domestic disappearance in 1956-57 dropped 2.1 million cwt., reflecting a decline in quantitities used by brewers and fed. In 1957-58 there was a slight reduction in food use, as well as use for feed and by brewers. In 1958-59 domestic disappearance was reduced by a slight decline in food use and then increased 2.3 million cwt. in 1959-60 with most of the increase in food use.

Table 9, page 21, shows U. S. exports, milled basis, by countries of destination, for 1959-60 with comparisons.

THE CURRENT DOMESTIC RICE SITUATION

Carryover Stocks Continue To Decline

The rice carryover continued the decline started in 1956-57 and reached 12.1 million cwt., in terms of rough rice, by August 1, 1960. This amount was only about a third of the 34.6 million cwt. on hand August 1, 1956. The reduction in carryover is principally due to the rise in exports but also reflects acreage controls and the Soil Bank Program. During the five crop years 1955-56 through 1959-60, exports averaged 24.7 million cwt. a year, which consisted of slightly more than 60 percent moved under Government-financed programs with about three-fourths paid for with foreign currency.

Acreage allotments and marketing quotas were established for the 1955 crop after the 1954 record harvest and small exports in 1955 resulted in an increase in carryover to a record 34.6 million cwt. at the beginning of the 1956-57 marketing year. Since then, the reduced acreage has held production well below the 1954 level even though yields have increased each year from 1955 to 1960, except in 1958. Production has not been reduced sufficiently, however, to discontinue marketing quotas.

Total rice supplies for 1960-61 are estimated at 67.0 million cwt., consisting of the carryover of 12.1 million cwt., production of 54.4 million cwt. and likely imports of about 500,000 cwt. (table 1). Domestic use of rice in 1960-61 is estimated at 28.2 million cwt., rough equivalent, the same as a year earlier. Domestic use consists of rice for food, 20.5 million; brewers' use, 5.0 million; seed, 2.1 million and feed, 0.6 million cwt. Each of these domestic-use catagories is currently estimated at the same level as in 1959-60. Exports are tentatively estimated at 29.7 million cwt., only slightly above last year's 29.3 million. On the basis of these estimates, the August 1, 1961 carryover would be down to about 9.1 million cwt., representing the fifth consecutive year that the carryover has declined.

Table 1 .- Rice, rough equivalent: Supply and distribution, United States, 1937-61 1/

Year beginning August	Supply				Disappearance						Ending stocks
					Domestic						
	Beginning stocks	Farm production 2/	Imports 3/	Total 4/	Food 5/	Industry 6/	Feed and seed	Total	Exports	Total	
	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.
1937	3,712	24,040	1,311	29,257	16,044	3,578	1,724	21,346	4,764	26,110	3,147
1938	3,147	23,628	1,018	28,221	14,895	2,870	1,442	19,207	4,767	23,974	4,247
1939	4,247	24,328	649	29,765	15,752	2,779	1,515	20,046	4,484	24,530	5,235
1940	5,235	24,495	334	29,745	16,471	2,944	1,723	21,138	5,651	26,789	2,956
1941	2,956	23,095	126	26,690	15,187	2,451	1,933	19,571	6,552	26,123	567
1942	567	29,082	136	29,552	16,017	2,278	1,971	20,266	6,961	27,227	2,325
1943	2,325	29,264	77	30,213	16,619	2,747	1,950	21,316	7,069	28,385	1,828
1944	1,828	30,974	7/	31,760	14,925	3,155	1,921	20,001	10,201	30,202	1,558
1945	1,558	30,704	127	32,339	14,120	3,439	2,056	19,615	11,469	31,084	1,255
1946	1,255	32,538	9	33,052	15,491	2,530	2,144	20,165	12,291	32,456	596
1947	596	35,261	27	35,843	15,170	4,572	2,298	22,040	13,055	35,095	748
1948	748	38,328	53	38,975	15,346	4,307	2,439	22,092	14,378	36,470	2,505
1949	2,505	40,789	62	43,138	16,585	4,724	2,136	23,445	16,224	39,669	3,469
1950	3,469	38,845	787	43,438	18,252	4,866	2,634	25,752	13,167	38,919	4,519
1951	4,519	46,118	542	50,257	16,756	4,750	2,653	24,159	24,058	48,217	2,040
1952	2,040	48,271	350	51,786	17,750	4,577	2,822	25,149	25,122	50,271	1,515
1953	1,515	52,918	417	55,566	17,343	4,560	3,409	25,312	22,708	48,020	7,546
1954	7,546	64,248	65	68,964	18,680	5,425	3,873	27,978	14,286	42,264	26,700
1955	26,700	55,969	194	82,343	19,080	6,114	3,885	29,079	18,656	47,735	34,608
1956	34,608	49,503	384	84,646	19,217	5,085	2,727	27,029	37,519	64,548	20,098
1957	20,098	42,954	235	62,791	18,992	4,796	2,513	26,301	18,319	44,620	18,171
1958	18,171	44,396	164	61,344	18,650	4,707	2,569	25,926	19,749	45,675	15,669
1959	15,669	53,460	782	69,606	20,495	4,958	2,727	28,180	29,279	57,459	12,147
1960 8/	12,147	54,435	400	66,982	20,500	5,000	2,682	28,182	29,700	57,882	9,100
1961 9/	9,100	52,715	250	62,065	20,600	5,000	2,665	28,265			

1/ Milled rice converted to rough basis at annual extraction rate. 2/ Includes estimates of production in minor States--Missouri, South Carolina, North Carolina, Arizona, Florida, Illinois, Tennessee and Oklahoma, beginning 1945. 3/ Consists mostly of broken rice. 4/ Adjusted to equal total distribution. 5/ Includes shipments to territories and military food use. 6/ Primarily for beer production. 7/ Less than 500 hundredweight. 8/ Preliminary. 9/ Tentative estimates.

Consumption of rice for food in the United States from 1959-60 millings is indicated by disappearance data to be about 5.8 pounds per capita, slightly above the 5.7 pounds in 1957-58 and above the 5.4-pound average for 1947-56 (table 14 on page 30). The per capita figure for 1958-59 was computed at 5.1 pounds, which is out of line with other recent years. After a recheck of the 1958-59 milling figures has been completed, it may be found that this per capita figure will have to be revised upward.

1960 Rice Production Up Slightly; Yield Per Acre Sets New Record

The 1960 crop at 54.4 million cwt. was about 2 percent larger than the 53.5 million produced in 1959 due to both larger acreage and higher yields, with the latter accounting for about two-thirds of the increase (table 13 on page 30). This is the same situation that prevailed in boosting the 1959 crop over the 1958 crop. The yield per seeded acre of 33.71 cwt. and the yield per harvested acre of 34.11 cwt. reached new record highs; one percent above the previous records in 1959. The increase in yields in 1959 over 1958 was much greater, amounting to about 7 percent in both the yield per seeded acre and yield per harvested acre.

Rice was harvested from 1,595,700 acres, only slightly larger than last year. However, this acreage was 13 percent below the 10-year average and 37 percent below the record acreage harvested in 1954. The acreage abandoned is estimated at 1.2 percent, the smallest since 1955. About half of the abandonment was to comply with acreage allotments.

Production in the Southern area--Missouri, Mississippi, Arkansas, Louisiana and Texas--totaled 40.9 million cwt., about 2 percent above last year's production. Record high yields per acre were estimated for Arkansas and Louisiana with record-equaling yields in Missouri. Texas and Mississippi yields were below the high level of recent years but well above average. There were some weather problems during the seeding period that caused some replanting. Conditions following planting generally were favorable. Stands were good and there was little damage from weather. Harvest of early varieties was delayed by excessive moisture in Louisiana and Texas but most of the crop was harvested under favorable conditions.

In California, production is estimated at 13.5 million cwt., 2 percent above the 1959 crop. The yield of 4,700 pounds per acre is 50 pounds above the previous record set last year. Following a slow start during the germination period, growing conditions were almost ideal. Harvest in California was nearly complete by November 1, probably the earliest of record.

Prices in 1960-61 Again Expected To Average Above Support

Prices received by farmers for rice, including an allowance for unredeemed loans, averaged above the support level again in 1959-60 (table 5). Reduced production resulting from restricted acreage, heavy exports under Government financed programs and extensive use of the price support program are the principal factors underlying the strength in rice prices.

Table 2.- Rice: Average price received by farmers, United States, and average wholesale price at New Orleans and San Francisco, 1949-60

Year beginning August	August	September	October	November	December	January	February	March	April	May	June	July	Average
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
	Price per 100 pounds received by farmers for rough rice, 15th of month 1/												
1949	4.18	3.82	3.98	4.22	4.37	4.41	4.46	4.34	4.30	4.22	4.19	4.46	4.10
1950	4.61	4.56	5.03	5.33	5.26	5.57	5.81	5.78	5.72	5.67	5.41	5.23	5.09
1951	4.67	4.03	4.66	4.79	4.90	5.20	5.22	5.25	5.36	5.47	5.62	5.62	4.82
1952	5.32	5.27	5.72	6.10	6.25	6.48	6.63	6.88	6.91	6.91	6.70	5.95	5.87
1953	5.31	4.82	5.37	5.26	5.34	5.42	5.34	5.21	5.01	4.85	4.19	4.14	5.19
1954	4.06	4.23	4.60	4.57	4.64	4.51	4.46	4.52	4.55	4.46	4.35	4.26	4.57
1955	4.19	4.64	4.77	4.77	4.71	4.48	4.49	4.52	4.50	4.50	4.50	4.44	4.81
1956	4.29	4.56	4.75	4.61	4.65	4.68	4.91	4.98	4.88	4.91	4.91	4.90	4.86
1957	4.86	4.84	5.01	5.04	4.84	5.01	5.02	5.03	5.14	5.03	5.04	4.92	5.11
1958	4.83	4.77	4.82	4.74	4.48	4.79	4.88	4.95	4.79	4.79	5.11	5.05	4.68
1959 2/	4.54	4.52	4.72	4.64	4.68	4.77	4.83	4.82	4.68	4.62	4.69	4.69	4.59
1960 2/	4.30	4.30	4.61	4.97	4.78								4.59
	Wholesale price per 100 pounds (bagged) of milled Zenith, U.S. No. 2 at New Orleans, f.o.b. mills 3/												
1949	8.15	6.95	6.95	7.60	8.00	8.05	8.00	7.90	7.95	8.00	8.00	8.40	7.85
1950	9.05	8.50	8.90	9.90	9.85	9.95	10.05	10.55	10.50	10.50	10.35	10.40	9.90
1951	9.10	8.30	8.95	9.45	9.60	10.05	10.45	10.50	10.50	10.50	10.50	10.50	9.85
1952	10.45	10.40	10.55	10.70	10.75	10.75	10.75	12.20	12.40	12.40	12.40	12.00	11.30
1953	9.35	8.60	9.20	9.35	9.40	9.40	9.40	9.25	9.05	8.90	8.60	8.80	9.10
1954	7.45	7.50	8.20	9.20	9.40	9.40	9.40	9.70	10.70	11.25	11.25	10.75	9.50
1955	9.30	8.90	8.90	9.25	9.25	9.10	8.90	8.80	8.75	8.75	8.40	8.40	8.90
1956	8.30	8.40	8.55	8.50	8.50	8.55	8.80	8.90	8.90	9.05	9.20	9.45	8.75
1957	9.40	9.35	9.45	9.55	9.60	9.65	9.75	9.90	10.00	10.00	10.00	9.75	9.70
1958 4/	9.75	9.15	9.25	9.25	9.25	9.35	9.25	9.10	8.85	9.05	9.25	9.05	9.20
1959 4/	8.60	8.15	8.10	8.15	8.25	8.25	8.25	8.25	8.35	8.35	8.30	8.15	8.25
1960 4/	7.95	7.72	7.80	7.94	8.15								

Year beginning October	October	November	December	January	February	March	April	May	June	July	August	September	Average
	Wholesale price per 100 pounds (bagged) of milled California Pearl, U.S. No. 1 at San Francisco, docks basis 3/												
1949	7.25	7.30	7.50	7.50	7.30	7.20	7.10	7.15	7.40	8.20	8.85	8.55	7.60
1950	8.40	9.00	9.10	9.30	9.40	9.40	9.40	9.30	9.30	9.40	9.25	8.95	9.20
1951	8.55	8.50	8.95	9.20	9.55	9.70	9.75	9.75	9.75	9.75	9.75	9.80	9.50
1952	9.90	10.05	10.05	10.40	10.80	12.10	12.25	12.25	12.20	11.80	10.65	9.15	10.95
1953	9.05	9.00	9.10	9.10	9.20	9.40	9.30	9.25	9.25	9.25	9.20	8.60	9.15
1954	8.50	8.50	8.50	8.50	8.50	8.50	8.60	8.60	8.50	8.50	8.50	8.50	8.50
1955	8.50	8.50	8.50	8.30	8.25	8.25	8.25	8.25	8.25	8.25	8.20	8.20	8.30
1956	7.80	7.75	7.75	7.75	8.00	8.00	8.10	8.10	8.10	8.10	8.10	8.10	8.00
1957	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
1958	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.60	8.15	8.25	7.60
1959	8.25	8.25	8.25	8.50	8.50	8.50	8.70	8.75	8.75	8.75	8.75	8.75	8.55
1960	8.75	8.75	8.75										

1/ U.S. monthly prices are the result of weighting monthly State prices by production through July 1958. Beginning August 1958, monthly State prices are weighted by estimated sales for the month. U.S. marketing-year prices are the result of weighting State season average prices, including an allowance for unredeemed loans, by estimated marketings. 2/ Preliminary. 3/ Data from Grain Division, AMS. 4/ Includes Magnolia and Nato; mostly Nato from August 1959 to date.

In 1959-60, the price of rough rice to farmers averaged \$4.59 per cwt., 21 cents above the national average support of \$4.38. The 1960-61 price is currently estimated at \$4.59, which is 17 cents above the announced support of \$4.42 per cwt.

Farmers put about a fourth of their 1959 crop under price support, about the same proportion put under support from the 1958 crop. Of the 12.3 million cwt. of rough rice put under price support from the 1959 crop, farmers delivered 7.0 million to the CCC. The amounts placed under support and delivered to CCC from the 1958 crop were 11.6 million cwt. and 6.6 million cwt., respectively. Bluebonnet and Nato in the South and Calrose in California were the principal varieties delivered to CCC from the 1959 crop. CCC owned 6.9 million cwt., in terms of rough, of the total August 1, 1960 carryover of 12.1 million cwt.

Through November 30, 1960, farmers had placed a total of 4.2 million cwt. of 1960-crop rice under support, compared with 5.5 million by that date a year earlier (table 5). Of the 4.2 million cwt. under support by November 30th, 3.0 million were warehouse-stored and 1.1 million were farm-stored loans. Purchase agreements accounted for only 22,986 cwt. Farmers had repaid loans on 593,510 cwt. by November 30, 1960. Repayments by this date were almost 3 times as large as those made by November 30, 1959.

DOMESTIC RICE ANNOUNCEMENTS AND OUTLOOK FOR 1961

1961 Rice Marketing Quota And Referendum

Marketing quotas for rice were proclaimed on November 17, 1960. The law now requires quotas be proclaimed for the coming crop (1961) whenever the total supply for the preceding marketing year (1960-61) exceeds the normal supply (P.L. 86-408). The total supply of rice for the 1960-61 marketing year quota determination is 6.2 percent above the normal supply figure, which is the marketing quota level 1/.

1/ For the marketing quota determination, the total supply of rice for 1960-61 was estimated at 66,791,000 cwt., consisting of a 1960 crop of 54,244,000 cwt., a carryover on August 1, 1960 of 12,147,000 cwt. and estimated imports of 400,000 cwt. The normal supply was estimated at 62,919,000 cwt., based on an estimated domestic consumption of 28,199,000 cwt. for the 1959-60 marketing year and exports of 29,000,000 cwt. during the 1960-61 marketing year, plus a carryover allowance of 10 percent of the consumption and export total.

Table 3 .- Rice: Acreage allotments, by States, 1959-61

State	Apportionment 1959	Apportionment 1960	Apportionment 1961
	Acres	Acres	Acres
Arizona	229	229	229
Arkansas	398,855	399,012	399,012
California	299,648	299,766	299,766
Florida	956	957	957
Illinois	20	20	20
Louisiana	474,892	475,008	475,008
Mississippi	46,669	46,674	46,674
Missouri	4,765	4,767	4,767
North Carolina	38	38	38
Oklahoma	149	149	149
South Carolina	2,845	2,846	2,846
Tennessee	517	517	517
Texas	422,147	422,313	422,313
Total apportioned to States	1,651,730	1,652,296	1,652,296
Unapportioned national reserve	866	300	300
United States total	1,652,596	1,652,596	1,652,596

Commodity Stabilization Service, U.S.D.A.

Table 4 .- Rice: Acreage and production, by States, 1959-60

State	Acreage: Planted 1959	Planted 1960 1/	Harvested 1959	Harvested 1960 1/	Production 1959	Production 1960 1/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 cwt.	1,000 cwt.
Missouri	4.3	4.0	4.1	3.8	139	129
Mississippi	46	45	44	44	1,188	1,298
Arkansas	390	391	383	384	13,022	13,440
Louisiana	459	464	453	458	12,910	13,282
Texas	421	420	417	417	12,927	12,718
California	287	290	285	288	13,252	13,536
Minor States 2/	1.2	1.0	.8	.9	22	32
United States	1,608.5	1,615.0	1,586.9	1,595.7	53,460	54,435

1/ Preliminary.
2/ Minor States include Arizona, Florida, Illinois, North Carolina, South Carolina, Oklahoma and Tennessee. Acreage and production in minor States are not included in the estimates by the Crop Reporting Board.

In the referendum held on December 13, producers approved rice quotas for 1961 by a 91.2 percent vote, according to the final report 2/. This is substantially more than the required two-thirds vote of the producers voting.

1961 Production May be Down Slight if Yields are Average

The national rice allotment for 1961 is 1,652,596 acres, the minimum fixed by law. This is the same allotment that has been in effect since 1956. The 1961 national acreage allotment has been apportioned among the 13 rice-producing States in the same proportion that they shared in the total acreage allotted in 1960 (table 3).

If 1,595,000 acres are harvested in 1961, about the same acreage of rice harvested in 1960, and if yields are about equal to the average of the past three years (33.05 cwt.), a crop of about 52.7 million cwt. would be produced, compared with 54.4 million cwt. in 1960 and 51.4 million, the 1954-58 average. With domestic disappearance in 1961-62 estimated at 28.3 million cwt. and exports projected at about 25 million cwt., there would be a further reduction in the carryover on August 1, 1962. Exports of this size would be below the estimated 29.7 million cwt. in 1960-61, the 29.3 million cwt. in 1959-60 and the record 37.5 million exported in 1956-57, about the same as in 1952-53 but above any other year.

1961 Rice Price Support Not Yet Announced

The advance minimum national average support price for 1961-crop rice has not yet been announced. However, it will be set at not less than 70 percent nor more than 90 percent of parity, the statutory limits set for the 1961 crop. For the 1960 crop, the statutary minimum was 75 percent and was the level actually used to determine the support rate. As in past years, the price support program for the 1961 crop will be carried out through loans and purchase agreements. Loans and purchase agreements will be available through January 31, 1962. Growers who exceed their farm acreage allotments will be subject to marketing quota penalties amounting to 65 percent of parity (as of June 15, 1961) per cwt. on their excess production. However, the penalty on any excess production may be postponed by storage under bond or avoided by delivery of the excess to the CCC or any other agency designated by the U. S. Department of Agriculture. None of the production on farms which exceed their allotments will be eligible for price support.

2/ Rice marketing quotas were in effect for the 1955, 1956, 1957, 1958, 1959 and 1960 crops. For 1960, producers approved rice quotas by a 90.5 percent favorable vote; for 1959, 86.9 percent; for 1958, 90.0 percent; for 1957, 91.4 percent; for 1956, 84.6 percent and for 1955, 90.2 percent.

Table 5.- Rice, rough equivalent: Price support operations and price analysis items, 1940-60

Year beginning August	Under price support			Delivered to CCC	Stocks owned by CCC at year-end (July 31)	Under loan at year-end (July 31)	Support rate per cwt.	Season average price per cwt. received by farmers
	Loans	Purchase agreements	Total					
	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.	Dol.	Dol.
1940	---	---	---	---	---	---	---	1.80
1941	---	---	---	---	---	---	2.04	3.01
1942	---	---	---	---	---	---	2.33	3.61
1943	---	---	---	---	---	---	2/	3.96
1944	---	---	---	---	---	---	2/	3.93
1945	---	---	---	---	---	---	2.82	3.98
1946	---	---	---	---	---	---	2/	5.00
1947	---	---	---	---	---	---	3.76	5.97
1948	153	3,565	3,718	611	11	1	4.08	4.88
1949	1,865	6,282	8,147	3,043	459	218	3.96	4.10
1950	217	575	792	26	375	17	4.56	5.09
1951	4,008	1,843	5,851	518	226	1	5.00	4.82
1952	209	---	209	---	1	6	5.04	5.87
1953	1,808	2,666	4,474	3,170	914	283	4.84	5.19
1954	17,552	12,923	30,475	25,141	15,692	2,589	4.92	4.57
1955	15,557	10,703	26,260	23,475	26,941	312	4.66	4.81
1956	13,304	10,423	23,727	16,771	12,497	48	4.57	4.86
1957	6,977	6,590	13,567	11,007	11,996	9	4.72	5.11
1958	8,306	3,280	11,586	6,575	9,395	34	4.48	4.68
1959 4/	9,369	2,935	12,304	7,034	6,879	3/3	4.38	4.59
1960 4/	5/4,132	5/23	5/4,155				4.42	4.59

1/ Season average prices received by farmers weighted by sales.
2/ Price support was mandatory at 90 percent of parity but since prices were so far above support levels, support rates were not announced.
3/ For example, there were 3,000 cwt. of 1959-crop rice under loan on July 31, 1960.
4/ Preliminary.
5/ Through November 30, 1960.

Legislation

Current legislation provides that if growers approve marketing quotas, the support price for rice is determined at the discretion of the Secretary after consideration of the eight factors specified under section 401 (b) of the Agricultural Act of 1949, as amended. However, the support level cannot be in excess of 90 percent of parity, nor less than 75 percent of parity for the 1959 and 1960 crops; 70 percent of parity for the 1961 crop and 65 percent of parity for the 1962 and subsequent crops.

The 1961 rice acreage allotment of 1,652,596 acres was the minimum acreage that could be proclaimed under current legislation. Without this provision, the 1961 computed allotment would have been about 1,539,000 acres. Beginning with the 1961 crop, acreage allotments and marketing quotas are required to be proclaimed for the next succeding year whenever the total supply exceeds the normal supply (P.L. 86-408). For 1960 and earlier years, such proclamation was required only when the total supply was more than 10 percent in excess of the normal supply. The national rice acreage allotment is apportioned to States and counties and the State and county allotments are apportioned to farms on the basis of producers' history or farm history. Farm history is used only when recommended by State Committees and approved by the Secretary.

THE WORLD RICE SITUATION AND OUTLOOK 3/

World Rice Production Continues To Rise 4/

World rice production in 1960-61 (August-July) is expected to be above a year earlier and indications point to a crop slightly larger than the previous 1958-59 record. The world rice crop of 1960-61 is forecast at 487.6 billion pounds compared with 480.6 billion pounds in 1959-60 and 486.8 billion pounds in 1958-59 (table 6).

Estimated 1960-61 world rice acreage, at 289 million acres, is nearly 2 percent larger than last year and 12 percent above the 1950-54 average. More land was put into rice in all continents, except Europe and possibly Oceania, with the major acreage increase occurring in Asia.

The world rice crop outside Communist areas in 1960-61 will probably exceed last year's record output. Acreage increased 3 million acres. However, yields per acre may not attain the 1959-60 level, since weather was not quite so favorable.

3/ Except for the statement on 1960-61 production, the World Rice Situation and Outlook, was prepared by Dexter V. Rivenburgh, Rice Marketing Specialist of the Foreign Agricultural Service.

4/ From Foreign Crops and Markets, World Summaries, Crops and Livestock, November 24, 1960

Table 6.- Rice, rough: Acreage, yield per acre, and production in specified countries, average 1950-54, annual 1958-60 1/

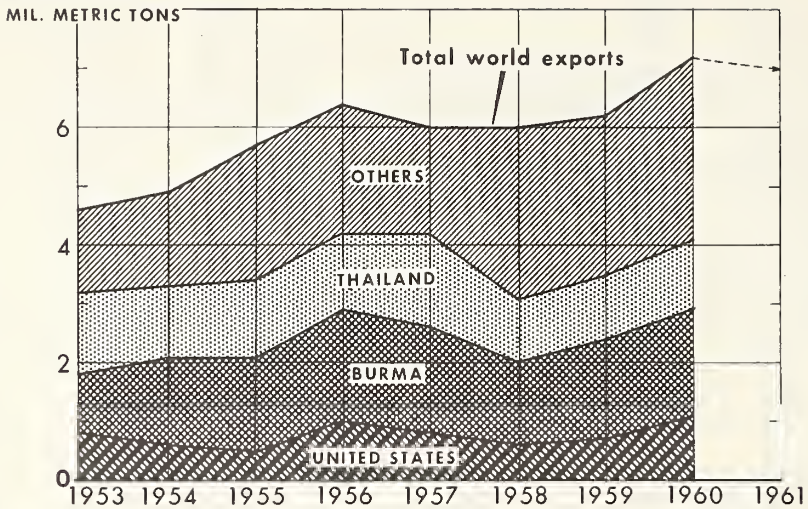
Continent and country	Acreage: Average 1950-51 to 1954-55	Acreage: 1958-59	Acreage: 1959-60 2/	Acreage: 1960-61 2/	Yield per acre: Average 1950-51 to 1954-55	Yield per acre: 1958-59	Yield per acre: 1959-60 2/	Yield per acre: 1960-61 2/	Production: Average 1950-51 to 1954-55	Production: 1958-59	Production: 1959-60 2/	Production: 1960-61 2/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Pounds	Pounds	Pounds	Pounds	Million pounds	Million pounds	Million pounds	Million pounds
North America:												
Mexico	235	300	297	345	1,574	1,855	1,751	1,667	369.9	556.6	520.0	575.0
United States	2,072	1,415	1,587	1,598	2,410	3,137	3,369	3,411	5,008.0	4,439.6	5,346.0	5,443.5
Costa Rica	72	126	144	147	1,183	752	844	850	85.2	94.8	121.5	125.0
El Salvador	44	33	34	--	1,430	1,667	1,706	--	62.9	55.0	58.0	--
Guatemala	21	25	25	--	1,043	1,032	1,076	--	21.9	25.8	26.9	--
Honduras	27	29	29	--	941	935	955	--	25.4	27.1	27.7	--
Nicaragua 3/	66	56	52	61	1,298	1,211	1,325	1,066	85.7	67.8	68.9	65.0
Panama	179	235	241	250	1,165	1,080	1,086	999	208.5	253.8	261.8	249.7
Cuba	175	271	300	--	1,829	1,835	1,833	--	320.0	497.2	550.0	--
Dominican Republic	112	130	--	--	1,703	2,115	--	--	190.7	275.0	--	--
Total North America	3,097	2,734	2,953	2,995	2,104	2,361	2,494	2,474	6,515.5	6,455.4	7,363.5	7,411.0
South America:												
Argentina	140	128	140	120	2,815	2,787	2,991	--	394.1	356.7	418.7	--
Bolivia	40	60	70	--	1,480	1,333	1,285	--	59.2	80.0	90.0	--
Brazil 3/	5,362	6,548	6,670	--	1,340	1,406	1,442	--	7,182.5	9,206.4	9,620.0	--
British Guiana	132	183	204	--	2,126	1,831	2,059	--	280.6	335.0	420.0	--
Chile	69	105	105	85	2,512	1,825	2,641	--	173.3	191.6	277.3	--
Colombia	401	486	509	514	1,465	1,728	1,827	1,848	587.3	840.0	930.0	950.0
Ecuador	150	170	160	--	1,752	1,835	1,800	--	262.8	312.0	288.0	--
Peru	152	126	186	--	3,643	4,325	3,645	--	553.8	545.0	678.0	--
Surinam	49	77	78	--	2,580	2,435	2,467	--	126.4	187.5	192.4	--
Uruguay	38	42	34	--	3,095	2,588	3,171	--	117.6	108.7	107.8	--
Venezuela	100	110	130	140	1,200	1,136	1,231	1,357	120.0	125.0	160.0	190.0
Total South America	6,656	8,052	8,301	8,529	1,487	1,530	1,591	1,542	9,897.6	12,323.1	13,208.9	13,155.2
Europe:												
France	43	72	78	78	3,567	4,310	3,821	3,205	153.4	310.3	298.0	250.0
Greece	44	42	45	33	3,152	3,481	3,289	3,485	138.7	146.2	148.0	115.0
Italy	409	332	336	--	4,600	4,895	4,673	--	1,881.5	1,625.0	1,570.0	1,400.0
Portugal	80	86	93	95	3,841	3,816	3,847	3,765	307.3	328.2	357.8	357.7
Spain	160	160	166	161	4,737	5,171	5,446	5,547	757.9	827.4	904.0	893.0
Total West Europe	736	692	718	677	4,401	4,678	4,565	4,455	3,238.8	3,237.1	3,277.8	3,015.7
Hungary	60	81	78	--	2,038	1,990	1,662	--	122.3	161.2	129.6	--
Rumania	45	41	67	54	2,296	1,978	1,388	1,630	103.3	81.1	93.0	88.0
Yugoslavia	10	14	15	15	2,750	3,436	3,113	3,100	27.5	48.1	46.7	46.5
Total East Europe	158	175	202	183	2,122	2,285	1,969	2,109	335.2	399.9	397.8	386.0
Total Europe	894	867	920	860	3,998	4,195	3,995	3,955	3,574.0	3,637.0	3,675.6	3,401.7
Africa:												
Morocco	10	14	12	--	3,590	3,557	3,750	--	35.9	49.8	45.0	--
U.A.R. (Egypt)	539	538	757	695	3,394	4,210	4,471	4,422	1,829.4	2,265.1	3,384.8	3,073.0

Angola	35	40	40	--	1,143	1,048	1,102	--	40.0	41.9	44.1	--
Congo, The	416	378	390	--	921	961	962	--	383.2	363.2	375.0	--
Former French Equatorial Africa 4/	53	90	--	--	928	1,389	--	--	49.2	125.0	128.0	--
Guinea	873	--	--	--	585	--	--	--	510.7	688.0	--	--
Ivory Coast 5/	470	--	--	--	526	--	--	--	247.4	154.3	315.3	330.7
Malagasy Republic	1,705	2,100	2,150	--	1,287	945	1,279	--	2,194.6	1,985.0	2,750.0	--
Mali 5/	434	--	--	--	788	--	--	--	342.2	--	--	--
Senegal 5/	153	--	--	--	851	--	--	--	130.2	--	--	--
Total Africa	6,984	7,958	8,552	8,668	1,134	1,127	1,312	1,278	7,918.0	8,970.7	11,219.1	11,080.5
Asia:												
Iran	557	560	640	--	1,750	1,786	1,695	--	974.7	1,000.0	1,085.0	1,025.0
Iraq	545	550	500	--	1,151	1,273	1,200	--	627.2	700.0	600.0	--
Turkey (Europe and Asia)	99	146	111	128	2,876	2,089	2,703	2,461	284.7	305.0	300.0	315.0
Burma	10,780	11,800	12,200	12,200	1,289	1,466	1,500	1,516	13,900.0	17,300.0	18,300.0	18,500.0
Cambodia 3/	2,853	3,007	3,475	3,400	988	998	935	941	2,817.4	3,000.0	3,250.0	3,200.0
Ceylon	920	1,076	1,040	--	1,330	1,578	1,582	--	1,223.3	1,697.4	1,645.0	--
China, Taiwan	1,912	1,916	1,892	--	2,388	2,870	2,748	--	4,565.0	5,499.0	5,200.0	--
India 3/	75,448	81,437	81,500	82,500	1,089	1,253	1,215	1,224	82,150.0	102,080.5	99,000.0	101,000.0
Indonesia	15,939	17,784	18,400	--	1,450	1,516	1,495	--	23,118.3	26,963.8	27,500.0	--
Japan 6/	7,754	8,020	8,100	8,150	3,394	4,121	4,253	4,393	26,316.6	33,050.0	34,450.0	35,800.0
Korea, South	2,550	2,739	2,751	2,735	2,549	2,619	2,597	2,523	6,500.0	7,173.5	7,145.0	6,900.0
Laos 3/	1,568	1,730	1,600	--	663	665	647	--	1,039.0	1,150.0	1,035.0	--
Malaya	836	881	935	--	1,739	1,788	2,128	--	1,453.4	1,575.1	1,990.0	--
Pakistan 3/	23,226	22,494	24,125	24,000	1,207	1,180	1,319	1,263	28,023.9	26,534.1	31,817.3	30,300.0
Philippines	6,264	7,341	7,334	7,960	1,054	1,106	1,104	1,049	6,603.3	8,122.7	8,100.0	8,350.0
Nepal	3,250	3,300	3,200	--	757	803	734	--	2,460.0	2,650.0	2,350.0	--
Thailand	13,153	13,014	13,245	--	1,151	1,194	1,208	--	15,132.9	15,540.0	15,997.0	16,100.0
Vietnam	4,800	5,310	5,950	6,000	1,208	1,785	1,964	2,000	5,800.0	9,480.0	11,685.0	12,000.0
Ryukyu Islands	30	27	--	--	2,000	3,067	--	--	60.0	82.8	--	--
Total Asia, excluding Communist areas 7/	174,036	184,702	188,619	191,069	1,292	1,438	1,449	1,443	224,790.5	265,650.0	273,277.8	275,710.8
Communist China	59,200	70,000	66,000	68,000	2,259	2,500	2,348	2,353	133,730.0	175,000.0	155,000.0	160,000.0
Total Communist areas 7/	65,000	77,000	73,900	76,000	2,174	2,444	2,304	2,305	141,280.0	188,150.0	170,300.0	175,200.0
Total Asia	239,036	261,702	262,519	267,069	1,531	1,734	1,690	1,688	366,070.5	453,800.0	443,577.8	450,910.8
Oceania:												
Australia	37	52	54	--	4,603	5,350	5,370	--	170.3	278.2	290.0	--
Fiji	35	35	40	--	1,649	1,543	1,675	--	57.7	54.0	67.0	--
Total Oceania	108	125	132	131	2,481	3,003	3,045	2,992	268.0	375.4	402.0	392.0
World total	257,140	281,800	283,750	288,630	1,536	1,727	1,694	1,689	394,974.6	486,760.0	480,650.0	487,560.0
Non-Communist countries	191,617	204,260	209,280	212,080	1,318	1,454	1,475	1,465	252,629.4	297,010.0	308,750.0	310,770.0
Communist countries	65,523	77,540	74,470	76,550	2,172	2,447	2,308	2,309	142,345.2	189,750.0	171,900.0	176,790.0

1/ Crops harvested in Northern Hemisphere during the latter part of the year, together with those harvested in Asia from November to May, are combined with crops harvested in Southern Hemisphere countries during the first part of the following year. Harvested acreage is shown unless data for planted acreage only are available. 2/ Preliminary. 3/ Planted acreage. 4/ Chad, Central African Republic, and Gabon. 5/ Formerly part of French West Africa. 6/ Tentative revisions through 1954. 7/ Communist areas: Mainland China, North Korea, and North Vietnam.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, reports of United States officers, results of office research and other information.

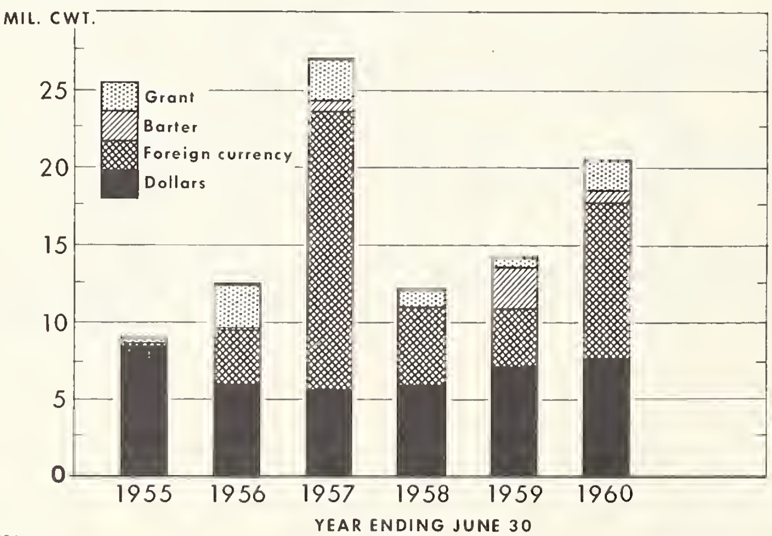
U. S. Shares in Larger World Rice Trade



USDA FAS-NEG.2125

The United States ranked fourth in 1960 world rice trade -- next to Burma, Thailand and Communist China. U. S. exports rose 53 percent over the calendar year 1959, with about half going to Asia. Exports to the Western Hemisphere increased, and those to Europe and Africa decreased slightly.

U. S. Rice Sales for Dollars At Highest Level Since 1955



USDA FAS-NEG. 2127

In the year ending June 30, 1960, United States rice export sales for dollars -- mainly to Europe, Cuba and Africa -- were the largest since 1955. Exports under Government programs also rose. Sales for foreign currency were up sharply and nearly half of total exports.

Communist China in 1960 put more acreage into rice, but adverse weather again reduced yields per acre.

World Trade in 1960
A New Postwar Record

The international trade in rice for the calendar year 1960 apparently established a new postwar record. During most of 1960, although total exports were reasonably stable, they showed quite different marketing patterns than in 1959. The pattern for 1960 showed good import demand through the entire year and appeared stronger than in 1959 (table 8), particularly in Asia, Africa and Europe. In the previous year, the volume of trade was extremely sluggish during the first half of the year but the second half of 1959 experienced a rapid increase in sales and shipments, so that the total level of exports for the year represented the highest since World War II.

Table 7.--Rice, milled equivalent: Imports into principal importing countries, calendar years, average 1951 - 55, annual 1956 - 59

Country	Average 1951-55	1956	1957	1958 1/	1959 1/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Ceylon	884	1,083	1,153	1,063	1,286
Hong Kong	478	613	690	841	779
India	1,168	904	1,760	902	698
Indonesia	905	1,682	1,242	1,502	1,850
Japan	2,438	1,675	765	1,114	611
Korea	246	43	445	15	7
Malaya	1,113	1,304	1,163	1,413	1,400
Pakistan	---	972	950	757	666
Philippine Republic	132	93	172	509	0
Arabian Peninsula	223	361	385	375	521
Cuba	470	300	422	426	380
Belgium - Luxembourg	83	182	140	114	172
France	125	172	196	132	187
Germany, West	189	258	197	264	342
Netherlands	151	163	132	151	179
United Kingdom	164	188	186	190	188
French West Africa	156	191	310	206	438
Mauritius	106	99	137	155	126
Other countries	1,784	4,037	3,392	3,483	4,138
World total	10,815	14,320	13,837	13,612	13,968

1/ Preliminary.

Foreign Agricultural Service.

Table 8 .- Rice, milled equivalent: Exports from principal world areas, calendar years, average 1951-55, annual 1956-59

Country of origin	Average 1951-55	1956	1957	1958 1/	1959 1/
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Asia:					
Burma	2,910	4,111	3,865	3,109	3,747
Cambodia	225	109	429	465	428
Communist China	2/630	2/2,300	2/1,085	2/2,880	2/3,530
Pakistan	291	131	5	4	183
Taiwan	210	190	319	431	353
Thailand	3,042	2,805	3,474	2,513	2,428
Vietnam	336	2/	405	248	542
Other countries	175	86	300	240	356
Total	7,819	9,732	9,882	9,890	11,567
Western Hemisphere:					
United Stated	1,389	2,148	1,731	1,305	1,554
Argentina	31	69	39	73	15
Brazil	151	224	1	114	22
British Guiana	84	93	85	40	126
Ecuador	60	26	84	57	37
Uruguay	27	84	18	21	2
Other countries	77	37	44	52	69
Total	1,819	2,681	2,002	1,662	1,825
Europe:					
Italy	493	771	316	404	341
Spain	98	201	141	214	62
Portugal	15	28	3/	25	3/
Other countries	61	92	130	162	108
Total	667	1,092	587	805	511
Africa:					
Malagasay Republic	65	80	46	128	65
U. A. R.: Egypt	249	487	652	852	108
Other countries	38	53	44	31	26
Total	352	620	742	1,011	199
Australia	71	74	67	94	114
World total	10,728	14,199	13,280	13,462	14,216

1/ Preliminary.
2/ From returns of importing countries.
3/ Less than 500,000 pounds.

Foreign Agricultural Service.

Table 9 .- Rice, milled: United States exports to specified countries, 1956-59 1/

Country of destination	Year beginning August 1956	1957	1958	1959
	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.
Western Hemisphere:				
Canada	376	293	267	283
Bahamas	21	11	30	64
British Honduras	33	24	25	52
Cuba	4,054	4,246	4,113	3,101
Guatemala	29	68	24	11
Mexico	9	2/	22	269
Netherlands Antilles	42	54	63	82
West Indies Federation	112	88	4	10
Bolivia	176	44	---	---
Chile	---	2/	23	95
Peru	2/	980	5	700
Venzuela	40	2	67	163
Other countries	127	85	192	3/199
Total	5,019	5,895	4,835	5,029
Europe:				
Belgium-Luxembourg	686	76	315	341
Germany, West	20	30	1,116	678
Netherlands	50	14	350	575
Sweden	16	12	34	58
Switzerland	58	32	26	39
United Kingdom	---	34	444	505
Other countries	40	29	87	71
Total	870	227	2,372	2,267
Asia:				
Ceylon	---	331	1,078	904
India	4,376	---	---	4,413
Indonesia	5,424	753	116	3,347
Iran	---	5	24	361
Israel	7	1	93	94
Korea, Republic of	2,746	242	---	---
Nansei and Nanpo Islands	2	2	199	394
Pakistan	4,372	3,453	1,169	173
Philippines	20	554	1,140	2/
Saudi Arabia	98	151	114	89
Other Arabia	22	126	189	142
Turkey	218	---	115	---
Other countries	118	6	6	133
Total	17,403	5,624	4,243	10,050
Africa:				
Egypt	---	5	489	447
French West Africa	---	---	526	44
Ghana	---	3	32	177
Liberia	248	270	377	422
Union of South Africa	15	4	50	307
Other countries	4	11	93	129
Total	267	293	1,567	1,526
Oceania	47	52	50	64
Ryukyu Islands 4/	207	145	---	---
Section 416 donations	2,036	683	651	1,634
Destination not specified	5/301	17	22	7
World total	26,150	12,936	13,740	20,577

1/ Includes small quantity of rough rice converted to terms of milled at 65 percent. 2/ Less than 500 cwt. 3/ Includes 63,000 bags to Argentina. 4/ Programed by ICA and shipped by the Army. 5/ Includes 288,000 bags of ground rough rice for animal feed sold by the CCC, not included in Census figures.

Bureau of the Census, except as noted.

Table 10.- Rice, milled: United States exports to specified countries, August-October 1960, with comparisons 1/ 2/

Country of destination	August-July 1959-60	August-October 1959	August-October 1960	October 1959	October 1960
	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.
Western Hemisphere:					
Canada	283	48	58	20	27
Bahamas	64	13	21	2	9
British Honduras	52	12	10	0	0
Cuba	3,101	1,044	118	475	44
El Salvador	80	30	3/	0	0
Mexico	278	3	58	3/	33
Netherland Antilles	82	15	25	5	9
Argentina	63	52	0	50	0
Chile	205	35	56	5	33
Other countries	4/ 1,084	23	78	3	31
Total	5,292	1,275	424	560	186
Europe:					
Belgium-Luxembourg	341	165	51	37	22
Greece	64	7	2	3	1
Germany, West	678	157	131	118	85
Netherlands	575	148	170	94	57
Poland	83	0	7	0	0
Portugal	50	0	25	0	0
Spain	75	0	35	0	0
Sweden	58	24	36	10	17
Switzerland	39	2	19	1	9
United Kingdom	505	116	97	53	42
Yugoslavia	122	0	27	0	0
Other countries	120	18	15	6	5
Total	2,710	637	615	322	238
Asia:					
Ceylon	904	686	0	412	0
Hong Kong	234	0	57	0	0
India	4,652	0	1,357	0	1,084
Indonesia	3,357	1,344	14	500	0
Iraq	361	138	20	126	2
Israel	111	21	52	6	3/
Nansei & Nanpo Islands	394	2	9	1	1
Pakistan	174	94	34	0	34
Philippine Republic	65	0	39	0	0
Saudi Arabia	89	18	23	9	9
Other Arabia	142	29	30	19	14
Other countries	5/ 426	5	260	2	133
Total	10,909	2,337	1,895	1,075	1,277
Africa:					
Egypt	447	447	8	0	8
French West Africa	58	44	18	11	6
Ghana	177	13	137	9	61
Liberia	432	179	118	24	41
Nigeria	28	5	7	1	4
Union of South Africa	307	49	161	28	81
Other countries	146	3/	68	0	4
Total	1,595	737	517	73	205
Oceania	64	9	14	3/	3
Other	7	3	0	1	0
World total	20,577	4,998	3,465	2,031	1,909

1/ Includes small quantity of rough rice in milled equivalent. 2/ Includes Section 416 donations. 3/ Less than 500 cwt. 4/ Includes 734,000 cwt. to Peru and 163,000 to Venezuela. 5/ Includes 183,000 cwt. to Taiwan.

Bureau of the Census.

The apparent increase in demand, as indicated by the new postwar record exports estimated for 1960, involves several factors. These include changes in price levels, some increases in per capita consumption, population increases, small increases in per capita income and, in a few instances. the attempts to build up reserve stocks.

Stability continued in 1960 regardless of continued shifts in the pattern of exports by destination. Japan again showed a decline in total imports and no longer represented a major world market for rice, the Philippines approached self-sufficiency, and Korea and West Pakistan showed increased exports.

U. S. Exports of Rice in 1959-60 Almost 50 Percent Over Year Earlier

United States exports of rice totaled 20.6 million cwt., in terms of milled, for the marketing year beginning August 1, 1959 (table 9). This is an increase of almost 50 percent over a year earlier and second to the record of 26.2 million cwt. exported in 1956-57.

Rice exports for dollars were the highest since 1954-55, amounting to nearly 40 percent of total U.S. exports. There was also a gain in exports under Government programs. Exports for foreign currency nearly tripled those of 1958-59 and comprised approximated 50 percent of total exports. The remainder was shipped under grants (Section 416 donations and disaster relief) and barter.

U. S. Exports August-October Below Last Year

Exports of rice, including rough in terms of milled, in August-October of 1960 were approximately 1.5 million cwt. below last year's total for the same months (table 10). This was due primarily to a loss of a million cwt. in the Cuban market and a slight decrease in exports to Europe. However, there were purchases made by India, Indonesia and Pakistan under P. L. 480 agreements which were not delivered as of October 31, 1960 amounting to about 7.5 million cwt.

U. S. exports to the Western Hemisphere generally showed only seasonal variations. The exceptions to this were Cuba, to which U. S. exports, were drastically curtailed shortly after the marketing year began, and Argentina, to which we did not export any rice in 1960 following 1959 exports to supplement their shortage.

Exports to Canada were up sharply, probably reflecting lower supplies from other Western Hemisphere sources. Mexico, the Canal Zone, the Bahamas, the Netherland Antilles, Peru and Bolivia took increased amounts while exports to Guatemala, El Salvador, Chile and British Honduras were below last year.

Table 11.- Rice, milled: U. S. exports by type of sale, year beginning July, 1954-59

Year beginning July	For dollars	Under Government Programs: For foreign currency	Under Government Programs: Barter	Under Government Programs: Other programs	Total exports
	Mil. cwt.	Mil. cwt.	Mil. cwt.	Mil. cwt.	Mil. cwt.
1954	8.7	0.2	1/	0.2	9.1
1955	6.0	3.4	.2	2.8	12.4
1956	5.6	18.0	.6	2.9	27.1
1957	5.9	5.1	1/	1.1	12.1
1958	7.5	3.9	2.0	.9	14.3
1959 2/	8.0	10.0	0.8	1.9	20.7

1/ Less than 0.5 million cwt.
2/ Preliminary.

Foreign Agricultural Service.

Table 12.- Rice, milled: U. S. exports under Title I of P.L. 480 (for foreign currency), by country of destination, 1955-59

Country of destination	Year beginning July: 1955	1956	1957	1958	1959 1/
	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.
Argentina	---	---	---	---	60
Ceylon	---	---	---	1,078	907
Iceland	---	---	---	11	6
India	---	4,339	---	---	3,776
Indonesia	---	5,924	49	808	3,278
Israel	6	---	---	93	87
Japan	2,142	---	---	---	---
Korea	---	2,382	648	---	---
Pakistan	382	5,264	3,575	904	427
Peru	---	---	445	207	485
Philippines	---	---	377	551	---
Turkey	---	218	---	115	---
Egypt	---	---	---	---	934
Total	2,530	18,127	5,094	3,767	9,961

1/ Preliminary.

Foreign Agricultural Service.

There were some increases in exports to Africa--Tunisia, Ghana, Nigeria, the Republic of the Congo and the Union of South Africa. Exports to Liberia were down about 61,000 cwt. due, in part, to internal controls. There was no movement at all to French West Africa except under aid programs, as was the case in 1959.

In Europe the status of trade was better as cash commercial sales were up and barter deliveries down, even though exports from the United States for the 3 months were down some 159,000 cwt., compared with last year, to the United Kingdom, Belgium-Luxemborg and West Germany. Most of the European countries were ineligible for barter in 1960. Exports increased to Sweden, Switzerland and the Netherlands. Exports to Iraq continued into 1960-61 although at a much lower level than in the same months of a year earlier when supplies available to that country from other sources were abnormally low. Exports to Lebanon and Saudi Arabia showed some increase but those moving to Kuwait were down due largely to the failure of shippers to provide required qualities to that destination.

In the Asian markets, some cash sales of U. S. rice occurred in both Singapore and Malaya for the first time. This was probably influenced by their temporary market conditions, both as to price and the volume of supplies available. Fall sales against Title I, P.L. 480 agreements were heavy, amounting to over 8.8 million cwt. for India, Indonesia and Pakistan, with some 7.5 million cwt. unshipped as of October 31.

Section 416 donations in the first 3 months of the marketing year totaled 463,735 cwt. as compared with only 15,000 cwt. in the same period a year earlier.

Generally, the 1960-61 marketing year was off to a good start.

World Stocks as of January 1, 1961

Stocks of old-crop rice in the hands of principal Asian exporters at the close of the 1960 calendar year were likely lower than for the previous year, despite larger supplies available for export during the year. Some delays in filling late 1960 orders on the part of Burma, Thailand and Vietnam seem to point to stocks being reduced even below adequate working levels. Total world carry-in stocks for 1961 are generally lower but not to a point that indicates any over-all shortage. During the past 3 years, annual exports have increasingly come from the current crop or from the crop of the preceding year. Stocks of rice within the United States continue to move down from the highs of 1955 and 1956 but at a much slower rate than in other rice exporting countries. This has been largely due to the Government policy of orderly liquidation of surplus rice stocks to insure a much desired stability in the world market and to protect, as far as possible, the position of major rice exporters.

Stocks of rice held by major deficit rice countries are still adequate to provide a buffer against short-run curtailment of domestic supplies and the resulting fluctuations of internal prices. Some starts have been made toward creating additional stocks but generally rising over-all consumption

requirements have tended to negate such efforts with any excess rice obtainable moving rather rapidly into current consumption channels. The position of major exporting countries in so far as carryover stocks are concerned is a major point upon which to place an evaluation of 1961 prospects. Generally speaking, the free-world countries have not seen any build-up of unmarketable stocks. Moreover, Communist-controlled areas undoubtedly do not have the stocks of rice that they had in the last few years.

World Rice Prices Below 1959

Rice prices for 1960, as a whole, as represented by f.o.b. prices for free-world exports, probably averaged about 6 percent below those of 1959. The decline followed an over-all reduction of about 8 percent in 1959 compared with 1958. Prices of long-grain varieties averaged a 7 percent reduction from 1959 compared with a 9 percent reduction in 1959 from a year earlier. Medium-grain rice fared the best with a 1 to 2 percent reduction in 1960 against a 5 percent reduction in 1959, while short-grain rice was down 5 percent in both years.

It appears that long-grain varieties more nearly follow a free market than do medium or short-grain varieties, because less long-grain varieties are sold under Government to Government contracts, or trading arrangements of a barter type, than other varieties. For example, the greater portion of the rice marketed by Burma -- the country which is consistently the world's largest exporter of rice -- is of a medium-grain type. A relatively high percentage of Burma's exports is in fulfillment of Government contracts. In addition, this is largely responsible for the lower rate of price decline of medium grains.

It is also apparent that the higher the quality the more abrupt are the price changes that may occur. This is a highly competitive field with competition coming from both equal and lower qualities. Any abrupt upward movement of prices for higher qualities makes it profitable for importers with adequate milling facilities to shift their takings to lower and cheaper qualities and to upgrade the product by reprocessing.

As of the end of December, Thailand long grain, 5 percent broken, was quoted at $5.70 per cwt. at Bangkok compared with about $5.60 a year earlier. Long grains, 15 percent broken, were at $5.50 per cwt. at the same market compared with $5.07 a year earlier and prices of Broken A-1 Special were $3.80 per cwt., compared with $3.00 a year earlier.

Medium grains, while generally undergoing a less drastic decline than long grains, have lately shown about a 3 percent advance over the average for 1960 in forward contracting, announced thus far for 1961 in connection with Government contracts. Advance contracting for medium grain of base grades and qualities again this year are relatively heavy, with probably about 1.5 million metric tons under Government to Government contracts as of January 1.

On the other hand, prices, particularly of long grains and brokens, weakened rather sharply during the early months of 1960. Then they recovered and, in

some instances, moved to the highest levels for some time. In the third quarter, prices declined only to advance again toward the end of the year.

Prospective supplies and prices of long-grain varieties are fairly indicative of the trend of world prices. Prices in the next 12 months are expected to be relatively stable and remain fairly close to those of 1960.

The market for long-grain rice will continue to be highly competitive. Better milling, better grading and more active marketing policies are expected to further increase competition. Prices of medium grains, though subject to these same factors, may again approximate the stability of 1960. Prices of short grains could fluctuate more widely. The continual reduction of Japanese imports, which only a few years ago represented the largest imports and where consumer preference is definitely for short-grain rice, has affected world demand for the short grains. This is followed also with gradual shifts in preferences for long-grain rice on the European continent. With this lowered export demand and with short-grain rice a major preference in Communist China and other Communist areas of consumption, prices in the coming years may be less stable than for either long- or medium-grain types.

World Rice Trade in 1961

World trading in rice is expected to continue at about the high levels of the past two years (table 8). Whether or not it will exceed that of last year will depend on weather conditions in late spring and early summer. Imports by India, Pakistan, Ceylon, Malaya and Indonesia will likely continue to be heavy. Pakistan's requirements may exceed those of last year because of unfavorable growing conditions in 1960. Japan's needs will be less than those of last year and imports are likely to again decline. Much of the reduction in Japanese imports will be in the quantities previously obtained from Taiwan where substantial exports appear to be unlikely for some time. Any reduction which will take place in Japanese purchases, accordingly, will have practically no effect on world requirements.

Western Hemisphere requirements should remain about the same but some major shifts in sources of supply, such as occurred in the second half of 1960 in the case of Cuba, will continue to be a factor. Demand requirements will continue to rise appreciably in Africa and to some extent in the European market.

World Export Availability in 1961 About the Same as Year Earlier

Supplies of rice available for export throughout the world in 1961 will not differ substantially from those of last year. There may be additional supplies available for export in free-world countries but availabilities in Communist China probably will be less, because of unfavorable 1960 crop conditions. If there should be any lowering of the level of world trade in 1961, it may well be in the reduced exports from Communist China; exports from free-world sources should be larger than a year earlier. There is no immediate danger of surplus rice stocks building up from last year's production.

Similarly, world trade in 1961 should not be in any way affected by stocks of rice in exporting countries from crops produced prior to 1960.

The level of export availability in 1961, while including increases in production, is expected to be reasonably in balance with effective demand throughout 1960 with no pronounced trends to favor either buyer or seller. It appears that the higher qualities will not be in oversupply and will continue to command a premium in some markets. World trade in rice, however, is heavily weighted on the side of lower grades and any extension in exports above the high level of 1960 will mean that proportionately a far higher percentage of the increase will be in lower grades and qualities, rather than in the higher grades. One of the changes which has taken place in the market since 1956 has been the doubling of the quantities of rice imported by India, Indonesia, Pakistan and Ceylon. This has generally been confined to the cheapest rice obtainable-- the lower qualities. The doubled imports from these four countries combined represent over 20 percent of present world trade. The growth of trade in the higher qualities probably will continue and the rate of annual increase should rise in the next decade. Even if this does develop, the higher qualities will still remain a relatively small factor in the over-all market.

In recent years, world rice production continued to rise through expanded acreages, either on reclaimed paddy land or on new lands, and, to a greater extent, through increased yields. In the next decade further increases are likely to come about more from improved yields than from added acreages. The use of better seed, more fertilizer and improved cultural practices will be more important in the future. However, there is also likely to be a further diversification of crop production by both exporting and importing countries which may offset what otherwise might be additional acreages planted to rice. The beginning of a direct shift of emphasis from added acreage to improved yields may tend to slow up the present rate of annual increase in world production for a period of time.

World acreage of rice has risen over 60 percent in the past half century but has failed to any more than offset population growth and allow for little increase in per capita consumption rates. Rapidly expanding world population, reflecting higher birth rates as well as the drive for improved diets,and economic development of less developed areas of the world will expand world demand in coming years. Such expansion is expected to exert continued pressure on productive capacity in some years to come.

Outlook Good for Exports of Rice From the United States

Total exports of rice from the United States will likely continue at fairly high levels in the years ahead, although they will probably not equal those of 1960 unless the Cuban market is again available. Cash sales to areas other than Cuba will likely show a gradual increase, and disposals of rice

under Government programs should continue in substantial volume. The extension of cash sales should be the most pronounced in the Western Hemisphere (exclusive of Cuba), Africa, Europe and the Middle East. European and African outlets will perhaps be the most competitive.

Market Development Work

The U. S. Rice Export Development Association in cooperation with the Foreign Agricultural Service made considerable progress in getting projects underway through the utilization of foreign currency available under P. L. 480. The Association continued and expanded its efforts in exhibiting U. S. rice and in demonstrating its use. Large exhibits and demonstrations were put on at international food fairs in London and Munich during the year. Further exhibits are planned at similar fairs in various countries. Large promotional projects are now underway in West Germany, Switzerland, the Netherlands, Belgium, Sweden and the United Kingdom.

The Association is operating the European project in cooperation with various interested groups of the rice industry in those countries. These groups are also bearing part of the expense of the projects. Local personnel are being trained to spend full time in the promotion of rice within individual countries, operating under a promotional plan that has been developed and agreed upon.

The next issue of The Rice Situation will be released in January, 1962.

Table 13.- Rice, rough: Acreage, yield and production, Southern States, California and United States, 1930-60

Crop year	Harvested acreage			Average yield per harvested acre			Production		
	Southern States 1/	California	United States	Southern States 1/	California	United States	Southern States 1/	California	United States
	1,000 acres	1,000 acres	1,000 acres	Pounds	Pounds	Pounds	1,000 cwt.	1,000 cwt.	1,000 cwt.
1930	856	110	966	1,980	2,974	2,093	16,946	3,272	20,218
1931	840	125	965	1,948	2,970	2,080	16,364	3,712	20,076
1932	764	110	874	1,992	3,191	2,143	15,219	3,510	18,729
1933	690	108	798	2,005	2,880	2,123	13,833	3,110	16,943
1934	704	108	812	1,968	3,440	2,164	13,856	3,715	17,571
1935	717	100	817	2,012	3,330	2,173	14,423	3,330	17,753
1936	843	138	981	2,158	3,060	2,285	18,196	4,223	22,419
1937	967	132	1,099	2,062	3,105	2,187	19,941	4,099	24,040
1938	951	125	1,076	2,088	3,015	2,196	19,859	3,769	23,628
1939	925	120	1,045	2,192	3,375	2,328	20,278	4,050	24,328
1940	951	118	1,069	2,129	3,600	2,291	20,247	4,248	24,495
1941	1,061	153	1,214	1,820	2,475	1,902	19,308	3,787	23,095
1942	1,250	207	1,457	1,872	2,745	1,996	23,400	5,682	29,082
1943	1,248	224	1,472	1,820	2,925	1,988	22,712	6,552	29,264
1944	1,240	240	1,480	1,954	2,812	2,093	24,224	6,750	30,974
1945	2/1,266	235	1,501	1,931	2,665	2,046	2/24,442	6,262	30,704
1946	2/1,323	261	1,584	1,861	3,032	2,054	2/24,625	7,913	32,538
1947	2/1,454	256	1,710	1,872	3,139	2,062	2/27,226	8,035	35,261
1948	2/1,551	256	1,807	2,031	2,669	2,121	2/31,496	6,832	38,328
1949	2/1,554	305	1,859	1,967	3,350	2,194	2/30,571	10,218	40,789
1950	2/1,401	238	1,639	2,182	3,475	2,370	2/30,575	8,270	38,845
1951	2/1,673	324	1,997	2,118	3,300	2,309	2/35,426	10,692	46,118
1952	2/1,666	337	2,003	2,194	3,475	2,410	2/36,560	11,711	48,271
1953	2/1,740	425	2,165	2,333	2,900	2,444	2/40,593	12,325	52,918
1954	2/2,078	477	2,555	2,506	2,550	2,515	2/52,084	12,164	64,248
1955	2/1,502	329	1,831	2,971	3,450	3,057	2/44,619	11,350	55,969
1956	2/1,285	286	1,571	2,917	4,200	3,151	2/37,491	12,012	49,503
1957	2/1,115	226	1,341	2,981	4,300	3,203	2/33,236	9,718	42,954
1958	2/1,166	249	1,415	2,857	4,450	3,137	2/33,316	11,080	44,396
1959	2/1,302	285	1,587	3,088	4,650	3,369	2/40,208	13,252	53,460
1960 3/	2/1,308	288	1,596	3,128	4,700	3,411	2/40,899	13,536	54,435

1/ Southern States consist of Texas, Louisiana and Arkansas, and beginning in 1949, Mississippi and Missouri. 2/ Includes acreage and production in minor States, in thousand acres and thousand cwt. (in parentheses) as follows: 2 (36) in 1945, 2, (41) in 1946, 2 (44) in 1947, 3 (53) in 1948, 1 (20) in 1949, 2 (25) in 1950, 1 (29) in 1951, 6 (78) in 1952, 6 (84) in 1953, 5 (55) in 1954, 4 (67) in 1955, 2 (44) in 1956, 1 (19) in 1957, 1 (15) in 1958, 1 (22) in 1959 and 1 (32) in 1960. 3/ Preliminary.

Data published currently in Crop Production (AMS).

Table 14 .- Rice, milled equivalent: Total and per capita consumption, Continental U.S., 1909-59

Year beginning August	Consumption Total 1/	Consumption Per capita 2/	Year beginning August	Consumption Total 1/	Consumption Per capita 2/	Year beginning August	Consumption Total 1/	Consumption Per capita 2/
	Mil. lb.	Lb.		Mil. lb.	Lb.		Mil. lb.	Lb.
1909	764	8.3	1927	737	6.2	1944	632	4.9
1910	588	6.3	1928	702	5.8	1945	539	4.0
1911	570	6.0	1929	649	5.3	1946	660	4.7
1912	645	6.7				1947	706	4.9
1913	690	7.0	1930	715	5.8	1948	732	5.0
1914	702	7.0	1931	662	5.3	1949	762	5.1
1915	701	6.9	1932	762	6.1			
1916	961	9.4	1933	553	4.4	1950	874	5.8
1917	1,060	10.2	1934	729	5.7	1951	806	5.3
1918	1,084	10.3	1935	681	5.3	1952	833	5.4
1919	655	6.2	1936	783	6.1	1953	837	5.3
			1937	783	6.1	1954	885	5.5
1920	748	7.0	1938	734	5.6	1955	957	5.8
1921	502	4.6	1939	778	5.9	1956	970	5.8
1922	585	5.2				1957	963	5.7
1923	589	5.2	1940	773	5.9	1958	884	5.1
1924	619	5.4	1941	703	5.3	1959	1,018	5.8
1925	606	5.2	1942	734	5.7			
1926	667	5.6	1943	694	5.4			

1/ Total consumption in Continental U.S. is calculated by adding the beginning stocks at mills to mill production and imports, minus the following: Ending stocks at mills, exports, brewers' use, feed use, shipments to U.S. Territories and food use by the military forces at home and abroad. 2/ Per capita figures are obtained by dividing total consumption by the series on population eating from civilian supplies, unadjusted for underenumeration.

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